

**CITY OF MORGAN HILL
SPECIAL CITY COUNCIL
COYOTE VALLEY SPECIFIC PLAN WORKSHOP
MINUTES – APRIL 26, 2005**

CALL TO ORDER

Mayor Kennedy convened the Coyote Valley Specific Plan Workshop at 7:05 p.m.

ROLL CALL ATTENDANCE

Present: Council Member Tate and Mayor Kennedy
Late: Council Member Sellers
Absent: Council Members Carr and Grzan

WELCOME AND INTRODUCTIONS

City of Morgan Hill: Ed Tewes, City Manager; Kathy Molloy Previsich, Director of Community Development; David Bischoff, Contract Planner

City of San Jose: Forrest Williams, Council Member; Darrel Boyd, Principal Planner; Emily Moody, Assistant to Council Member Williams; Jennifer Malutta, Deputy Chief of Staff, Office of Mayor Ron Gonzales; Joe Horwedyl, Director of Planning; Luke Vong, Associate Engineer, Department of Transportation; Manuel Pineda, Senior Engineer, Department of Transportation; Mike Mena, Planner; Paul Ma, Department of Transportation; Sal Yakabu, Principal Planner; Jodi Starbird, David Powers & Associates; Eileen Goodwin, Apex Strategies; Mike Waller, Hexagon Transportation Consultants

Stakeholders: Alex Kennett, Open Space Authority; Carolyn McKennan, Superintendent, Morgan Hill Unified School District; Connie Ludewig, San Martin Neighborhood Association; Jack Faraone, Coyote Valley Landowner; Rebecca Van Dahlen, Santa Clara County Association of Realtors; Russ Danielson, Coyote Valley Specific Plan Task Force; Shelle Thomas, Morgan Hill Unified School District Board Member; Peter Mandel, Morgan Hill Unified School District Board Member; and Steve Kinsella, President, Gavilan College

DECLARATION OF POSTING OF AGENDA

City Clerk Torrez certified that the meeting's agenda was duly noticed and posted in accordance with Government Code 54954.2.

OPPORTUNITY FOR PUBLIC COMMENT

Mayor Kennedy opened the floor to public comment for items not listed on the evening's agenda. No comments were offered.

Joe Horwedyl addressed the Coyote Valley Specific Plan and related Environmental Impact Report (EIR) process. He addressed the potential environmental impacts associated with land use, transportation, air quality, noise, hydrology, geology & soils, biology, cultural resources, hazardous materials, visual and aesthetic resources, utilities/energy, and public facilities and services. He explained the California Environmental Quality Act (CEQA) and the EIR process as part of a specific plan. He addressed the EIR alternative requirements. He said that the City of San Jose is reviewing the impacts associated with the development of Coyote Valley, indicating that they are still collecting data and that they have not yet begun the analysis associated with any impacts. He said that CEQA requires that as impacts are identified, agencies are to look at ways of minimizing the impacts. Mitigation measures would be built into the project in order to lessen the impacts; tweaking plans to minimize the impacts. He stated that project alternatives need to be feasible, accomplish most of the objectives of the project, and avoids or substantially reduces the significant impacts. He said that the City of San Jose has identified 16 objectives/goals for Coyote Valley; including meeting the objectives of San Jose's general plan. He said that there is a rule of reason that stipulates that public/lead agencies do not need to look at every alternative, but need to review a reasonable range of alternatives. He expects that the City of San Jose will look at 15 alternatives based on the size of the project. The intent of the alternatives is to foster an informative decision making process.

Mr. Horwedyl said that the City of San Jose City Council is looking toward 16 outcomes/objectives for the project (e.g., affordable housing, no development in greenbelt, living within the confines of the plan, 50,000 jobs and housing to be constructed, consistency with the general plan, etc.). He said that the City of San Jose will look at ideas that are identified and decide how they are to be studied. He felt that 10-20 ideas would be studied and reviewed as part of the EIR process. There are different types of project alternatives to be looked at, including a "no project" alternative. He said that under the no project alternative, jobs would still be developed based on the approval of Cisco development. San Jose will look/analyze: the Greenbelt Alliance Plan; issues associated with the core infrastructure/land use plan (e.g., central lake/park concept), realignment of Fischer Creek; Santa Teresa Boulevard circulation, development on the east side of Monterey Road, wetlands); reduced scale alternative (reduced project would have less impacts on air, traffic, services, water supply, sewage demand, etc.); jobs/housing alternatives to be looked at as part of a reduced scaled project, including uneven reductions in housing/jobs, and finding an alternative location(s). However, finding an alternative location(s) would be a challenge. He said that until all the reports are completed, it is not known which impacts would be potentially significant, and that the alternatives would be a moving target as the EIR process moves forward.

School Board Member Mandel noted that in the work being done, the San Jose City Council is moving forward with 16 outcomes. Yet, it is being stated that alternatives are being reviewed. He inquired whether this is the process where the 16 outcomes are considered and whether new goals would be identified as part of the process.

Mr. Horwedyl said that Sal Yakabu and his staff need to come up with a plan that meets the 16 outcome criteria and that it is his job to analyze the plan to see if it is the best environmentally balanced project that can be designed; and if not, to look at items that would balance the project. He stated that he has a little more latitude in looking at the 16 goals. In looking at a reduced project, he would be at odds with the San Jose City Council's goal of providing 50,000 jobs and 25,000 housing units. Should he analyze something in the EIR that states that 25,000 jobs and 20,000 housing units is the best alternative, he would explain this in the EIR. The Council would then need to decide whether they want to hold to the original plan or look at a different project alternative model.

Mr. Horwedyl indicated that the Greenbelt Alliance Plan did not include the 16 goals. He stated that he advised the San Jose City Council last month that staff is using a framework to look at alternatives such as transportation, elimination of a parkway road system, use of a grid ~~iron~~ road system, flood control alternatives, biology, services that include school standards, and land use (e.g., use of a more compact foot print, greenbelt, etc.). He addressed comments received relating to alternative locations. He said that there are a number of alternative locations that can be looked at and analyzed as part of the EIR. (e.g., build the project on the foothills). However, there is a premise that the project cannot make impacts worse. There is a question regarding using the Greenbelt Alliance Plan alternative or to look at certain components of the plan. It is being suggested that major components be reviewed. He addressed triggers (e.g., no development in Coyote Valley until 5,000 jobs have been developed and the City of San Jose has secured economic health; providing services based on certain level standards). He said that the Task Force will discuss triggers and step alternatives to development. He stated that jobs are important to the way they will balance the transportation network. To be discussed is how you pay for the entire plan. He noted that it would cost over \$1 billion to construct the infrastructure. It is believed that residential development will pay for most of the infrastructure/services. These will be ongoing discussions.

Council Member Sellers entered and was seated.

Mr. Horwedyl addressed the schedule, indicating that it is a goal to circulate an EIR later this year and that it is proposed to add an additional review period to the required 45-day review period. He said that once the San Jose City Council decides on the preferred plan, he would begin to describe alternatives to the preferred plan. He clarified that the majority of the EIR will be describing the Plan. He indicated that the San Jose City Council has selected a preferred plan that will have a variety of detail. He stated that he is writing an EIR based upon a specific plan and a zoning document. The EIR would not be describing details or specificity. Details would be reviewed under later approvals. He said that the San Jose City Council has accepted the specific plan before the stakeholders group. The plan will discuss the number/types of housing units and types of commercial uses, etc.

Mayor Kennedy inquired as to the best way that the City of Morgan Hill and the Coyote Stakeholders can bring forth a preferred alternative.

Mr. Horwedyl responded that the notice of preparation of the EIR would be released in mid May 2005. This would be the kick off of the EIR process. This would be an opportunity for other public agencies,

the community and interested parties to provide information to the City of San Jose about information that should be included in the EIR and whether there are other alternatives to be reviewed. He said that now is the time to identify alternatives (sooner rather than later in order to be included in the EIR process).

Mayor Kennedy said that Mr. Yakabu and staff have been working on developing a preferred alternative. It is his understanding that this preferred alternative has been forwarded to the EIR consultants. He inquired whether planning staff would continue to develop a preferred alternative plan.

Mr. Horwedyl said that planning staff will be reviewing the preferred plan and will continue to do so as part of the EIR process. He stated there are still discussions taking place about how the pedestrian circulation should work. As planning staff goes through the different facets of the plan, adjustments will be made to the plan. He stated that by no means is the plan completed. Planning staff and consultants will be working on the plan over the next year to make it ready for the San Jose City Council to adopt.

Mr. Bischoff said that the San Jose City Council endorsed a preferred alternative plan in January 2005 and that the consultants will be working toward a refinement of this plan. He indicated that there should not be an expectation that there will be a lot of changes made to the plan. If Morgan Hill is to provide comments on its preferred alternative and provide additional input, he felt that the City of San Jose might consider it as an alternative in the EIR.

Mr. Horwedyl stated that the task force would consider all information that would be part of the EIR process. However, he said that the San Jose City Council gave a lot of thought to their preferred alternative and that it would surprise him should the plan would change significantly.

School Board Member Thomas inquired as to the role of the task force following the completion of the EIR process.

Mr. Horwedyl responded that the task force will continue to work through the specific plan and the different implementation pieces such as the financing pieces of the plan (e.g., industrial development, development of a Mello Roos District, another assessment tool, phasing of improvements, active acquisition of a greenbelt plan, as a passive greenbelt plan, etc.). He said that there are still a lot of discussions to be undertaken.

Russ Danielson stated that he was pleased to see that the alternative uses the term “suburban school size” rather than “urban school size” in the small footprint. The idea of shared land/park backing up to schools and vice versa should be looked at carefully as it can be a concept that has danger involved in it.

Community Development Director Molloy Previsich inquired whether the EIR would analyze intermediate development of Coyote Valley.

Mr. Horwedyl indicated that an end point analysis would be conducted for full build out. They will address questions about phasing transportation improvements and other infrastructure in order to determine whether the right mitigations are included. He said that he does not have enough traffic

analysis at this time to determine the infrastructure, circulation, phasing and timing. This information is to be gathered through the specific plan process.

Mayor Kennedy requested that the School District and Gavilan College representatives address their involvement in the process.

Dr. McKennan said that School District has been discussing the size/ownership of school land and whether the school will be designed as a single story facility, etc. She stated that no conclusions have been reached, but that the School District has shared their ideas with the City of San Jose and that progress has been made toward understanding each other's desires. She stated that it was found that a shared park concept would not work. As the process moves forward, it will be determined whether there would be conflicts. She said that it would be important to continue dialogues.

School Board Member Mandel stated that dialogue has been good and on going. He expressed concern with timing. He felt that it needs to be determined the number of children who would reside in Coyote Valley and then look at the implications (e.g., more schools versus less schools needed). It would be his goal to get basic assumptions settled such as the types, configuration and number of schools and how the schools would share parks. Once these are identified, they can be tweaked and included into the preferred plan. Given the timing of the notice of preparation, he felt that there is time to include a revised set of assumptions into the preferred plan.

Mr. Horwedyl confirmed that there is still time to include items into the build out of the plan. He said that the plan document will evolve and have will have a life of its own.

School Board Member Thomas said that a concern is that the School District is dealing with a finite area and that every acre makes a difference. Therefore, the allocations to the school district and college for other infrastructure will become critical in the overall picture. Therefore, it is the preferred alternative that one wants to review from the beginning.

Gavilan College President Kinsella indicated that he has identified a specific piece of property directly across from the IBM Business Park and that he would like to work with the City of San Jose toward a Memorandum of Understanding. He is working with the City of San Jose to develop athletic fields adjacent to the parcel. He stated that Gavilan College does not share the same safety issues associated with school children as most students are adults. He said that he has discussed joint facility(ies) parking and library projects. He said that it is Gavilan's intent to close the key points that cannot be discussed this evening and continue to move forward. There is one issue that poses a challenge, one that he has no control over, and that is the size of the footprint. He said that the education code is specific in its requirements. The education code will determine whether the site can be purchased. He said that there is still a lot of work that needs to be done, including site testing.

Council Member Sellers addressed traffic concerns. He noted that growth has occurred from individuals working in Silicon Valley and that 80% of the City's workforce go to other places, mainly to Silicon Valley. He indicated that the City understands commute patterns. This is a great community and that is the reason individuals chose to reside in Morgan Hill. He said that housing is less expensive in South

County. In looking at traffic issues/patterns, he felt that the 80/20 split does not make sense. He felt that three of the four patterns show traffic will head south as this has been what has been seen over the past few decades. He felt that the plan was put into place and that the traffic numbers were derived to match the plan. He requested an explanation as to why Morgan Hill should feel comfortable that traffic would be heading north.

Mr. Horwedyl indicated that the 80/20 split came out of the Cisco EIR. He said that the information was based on the response to comments that came from the public on the EIR. He said that there were a lot of comments on the 80/20 split and that the traffic assignment/distribution looked at where housing was and ran the numbers. It took 9 months to respond to comments, a substantial amount of time. They went back to look at the original assumptions to determine how real the numbers were. He indicated that the City of San Jose was sued five times over the EIR and that they won all lawsuits. One of the big issues of the lawsuits was that should the campus industrial development move forward, it would push a lot of housing to the south. He indicated that after reviewing the general plans of the number of homes to be constructed in surrounding cities, the 80/20 split is very close. He noted that even in this slow year, San Jose will be issuing 3,000 housing permits, noting that in good years, 5,000 housing permits are issued. When he looks south, he does not see a lot of housing being made available. New housing is being constructed, but not at the magnitude that is occurring to the north. He will be reviewing the numbers to determine whether these are still real numbers. He said that having a mixed housing industrial project would have a better transportation outcome.

Mr. Boyd said that a problem with the Cisco EIR is that City of San Jose used its own transit model. In this case, the City of San Jose will be using a different model in order to build better confidence in the numbers in the results to be achieved, using a VTA model that looks at the 14 county bay area. The model will take into account the general plans of regional areas.

Council Member Sellers felt that it was important to look at the numbers. It is also important to provide housing so that South County, Salinas and other areas will not be impacted.

Mr. Horwedyl said that during the litigation process, they reminded south county cities that they are building low density housing on farmland and that the workers in their communities cannot afford to purchase homes. He indicated that Monterey County just approved a large subdivision north of Salinas and that the housing does not support the farm workers. He said that San Jose would provide as much housing as possible.

School Board Member Thomas said that it was her hope that the model would take into account existing housing.

Mr. Horwedyl said that there is new housing being constructed everywhere. There was a discussion about the impact of Coyote Valley to housing prices in Morgan Hill, Gilroy and other communities. He said that this could be studied as part of the fiscal analysis, but could not guarantee that it would be studied. He said that at time of preparation of the analysis for Cisco, it was found that there were a lot of homes available for sale to the north and south with a vast majority of homes being to the north.

Mayor Kennedy said that even if you use an 80/20 assumption, 20% would create another bottleneck. He inquired how the Plan would address traffic congestion. Would there be an extension of light rail?

Mr. Horwedyl said that if there is nothing in the plan that addresses public transportation, one of the mitigation impacts he would identify as part of site impacts to Highway 101 would be congestion and what it would take to relieve congestion as part of the EIR. He said that San Jose City Council would need to determine what would be feasible to include in the project and what would not be feasible due to economics. There has been discussion by the San Jose City Council about the cost for the plan and the features to be included. Should Highway 101 widening be a cost to the development, it needs to be determined how much the Plan could bear.

Mr. Boyd said that San Jose will run the traffic model in advance of the EIR. He plans to run a transportation model in order to get a sense of the possible impacts. The data provided would assist in determining whether some of the mitigation measures to be identified can be incorporated.

Mr. Horwedyl said that the provision of Caltrain service into Coyote Valley, and how to design Santa Teresa in order to allow light rail to ultimately come to Coyote Valley will be studied. He indicated that VTA has indicated that they are not ready to bring light rail into Coyote Valley until it starts to develop.

Mayor Kennedy suggested that transportation staff work with South County agencies as they are also pushing to bring Caltrain and bus transit to South County. He felt that working together may result in bringing additional mass transit services to South County.

Mr. Horwedyl stated that the City of San Jose received money from the State to help fund Caltrain at time of the review of the Cisco project. A message that San Jose is trying to relay to South County communities is that they see their connection/relationships to communities to the south versus south San Francisco or Alameda County. He agreed that working together may result in bringing more transportation dollars to South County.

Council Member Tate expressed concern with the housing/job imbalance. He did not believe that affordable housing was addressed. He expressed concern with economics and whether it equates.

Mr. Horwedyl said that San Jose is unique in that it has fewer than one worker for each job that is available. Other cities in the county have 3-4 jobs per employed residents. He said that San Jose is trying to build out of this. He felt that a solution to address this would be to develop more industrial as being the best economical thing to do. However, San Jose continues to add several thousands of housing units into its general plan. He stated that the San Jose City Council understands the linkage of having available housing and keeping a balanced economy going. San Jose does not look at Coyote Valley as a microcosm of control. He noted that south San Jose has a tremendous amount of housing and that residents work elsewhere (e.g., to the north).

San Jose Council Member Williams indicated that at the request of Mayor Kennedy, San Jose staff came to speak to the Coyote Stakeholders and the City of Morgan Hill about the Coyote Valley EIR. He said that there are phases that San Jose must go through as identified in the visioning process and by the San

Jose City Council. He said that questions raised will be answered, but that it will take time. The EIR will address environmental, transportation, and housing projection issues. He said that San Jose will make sure that Coyote Valley is a viable project and that the Plan will address everyone's concerns. He said that the EIR document will address the concerns raised. He stated that the City of San Jose wants individuals to raise concerns in order to discuss and address them. He indicated that the City of San Jose is willing to come to South County to try and address concerns as the more you talk about the concerns, solutions tend to evolve and concerns addressed. He said that the City of San Jose is committed and wants to make sure that Coyote Valley is a place where people want to be. San Jose wants to address all environmental issues and provide mitigations to impacts. He said that flexibility needs to be incorporated into the Plan so that it is a moving/living plan. He stated that Mayor Gonzales and the City of San Jose is committed to making sure that everyone moves together. Everyone will need to give and take a little in the development of Coyote Valley. He acknowledged that transportation and schools are important. He and Mayor Gonzales have reviewed the recommendations for phasing and that they would be releasing their views of what it should be. To be reviewed is the cost of the infrastructure, phasing of development and how best to move forward with development of Coyote Valley. He felt that phasing may help to address some of the issues raised this evening regarding traffic, housing, etc. He said that San Jose continues to look at ways to generate housing, including changes to land use so that they can address housing and industrial issues. They are trying to be creative in order to meet the needs. San Jose will be generating housing and will meet the requirements for housing. He agreed that the job housing balance needs to be changed. He felt that the City of San Jose needs to provide better services to its residents and that if they can provide more jobs, they would be able to do so. He stated that the City of San Jose is willing to work cooperatively with the City of Morgan Hill and the Coyote Valley stakeholders to help address issues and concerns.

Mayor Kennedy opened the floor to public comment. No comments were offered.

Santa Clara Valley Water District Board Member Rosemary Kamei stated that the City of San Jose staff is working with the Water District to address flood control and water supply issues. She said that the Water District has many issues related to high ground water and that they are working toward a plan to address this area. She said that the Water District Board of Directors did have an opportunity to take a look at some preliminary information and that the Board is interested in working with the City of San Jose as well as the City of Morgan Hill to look at the possibility of a new zone benefit for water rates and other issues. She said that long range planning needs to occur in looking at water supply and other issues within this area. She indicated that the City of San Jose is well aware of the Water District's concerns in this particular area.

Mayor Kennedy said that there is a serious concern about active water sources in Coyote Valley and that this is an issue that needs to be addressed. Regarding flood control, he noted that Fisher Creek begins in Morgan Hill, on Cochrane Road. He felt that the City of Morgan Hill needs to work with the City of San Jose so that the detention ponds pumped into Fisher Creek do not create flooding.

School Board Member Thomas stated that air quality is a major concern and that she does not know how it can be mitigated as it is a strong concern to south valley residents. She also expressed concern with the quality and adequacy of water, especially with the development of high industrial uses. She said that

fluoride in the water has contaminated the wells in Morgan Hill. She said that the City needs to make sure that it has an adequate water supply for its citizens.

Mayor Kennedy also addressed air quality, especially with Calpine. He said that there is a reliance on automobiles and that the development of Coyote Valley will exacerbate an existing problem. He referred to the packet handed out earlier. He stated that he sent a letter to Mayor Gonzales in early 2005 and that he still does not have answers to his questions. He referred to page 8 of the letter relating to housing 1a and 1b.

Mr. Horwedyl said that a preferred plan has been identified and that it will allow San Jose to conduct projection of jobs. He said that campus industrial is subjective with 50,000 jobs being proposed. He said the secondary jobs piece would be a part of the EIR with projections and assumptions being made. He stated that over the next several months, more information would be shared. He indicated that this is work in progress with initial numbers. Through the EIR process, San Jose would refine the numbers. He said that it is anticipated that within the next four months, additional information would be made available.

San Jose Council Member Williams said that four months is a best guesstimate regarding being able to provide projections.

San Jose staff stated that as the process proceeds, refinements to numbers will be made. Staff will need to determine the primary jobs (e.g., retail and government job; jobs that bring income into the community, etc.). He stated that primary and secondary jobs will need to be determined.

Mr. Horwedyl said that housing 1b addresses the 80/20 split analysis. Item c identifies triggers for phasing and that item d talks about economics. He indicated that CEQA requires that physical impacts be reviewed and not social or economic impacts unless the social/economic impacts have a physical connection. He said that an economist is looking at a variety of economic issues associated with the plan. The economic analysis is being conducted, but would not necessarily be a part of the EIR. The EIR will look at economic pieces, but that he could not guarantee that it would look at how it would affect housing prices in Morgan Hill. He acknowledged that housing prices are going up and what is being done in Coyote Valley would not change this.

Mayor Kennedy inquired whether there was anything that could be done to increase housing affordability?

Mr. Horwedyl did not expect the 80/20 split to change. He noted that Coyote Valley is not in a redevelopment agency, and therefore, there is not statutory requirement for affordable housing. He said that the San Jose City Council included a 20% affordable housing requirement in their 16 guiding principles.

City of San Jose staff said that their Council has directed that a balanced community be planned. It was stated that staff has not conducted a study on the feasibility of affordability. Policies would be developed

in order to address housing affordability. He stated that there is a difference between affordability and inclusionary housing.

Council Member Sellers appreciated the fact that the City of San Jose is considering a 20% affordable housing requirement as one of the guiding principles. He felt that there are creative ways to provide different housing types. It is his hope that a greater percentage of affordable housing would be provided.

School Board Member Thomas indicated that the School District was under the impression that the proposed affordable housing units would be subsidized units.

Mr. Horwedyl stated that 5,000 housing units would be affordable, and that they would not be subsidized housing units. These will be income restrictive housing units and that you would not be able to tell the difference between an affordable and a market rate housing unit. He indicated that the Tacci development would be a high density development and would be an affordable housing project.

City Manager Tewes noted that it was indicated that the numbers would be revisited. He inquired whether the 80/20 split is an assumption built into the model or is it an outcome of the model.

Mr. Horwedyl responded that the numbers are a result of the model.

San Jose staff said that the 80/20 split is a number that was set based on the Cisco project. He stated that a model run was conducted for this project.

Mike Mena said that there are several things to keep in mind regarding the 80/20 split. It is not being stated that trips are not coming from the south. It is referring to how many homes are located south of Coyote Valley versus how many homes are located north of Coyote Valley. This determines how many trips would be attached to the activity. He said that with the existing plan, there are fewer homes south of Coyote Valley than similar distances north of Coyote Valley. There is also more congestion coming south of Coyote Valley than there is from the north of Coyote Valley in peak hours. He said that housing is an assumption that is an input to the model. The outcome of the distribution of trips associated with this plan is the results. A question that needs to be asked is whether the number of trips coming from the south would be different with or without jobs/housing in Coyote Valley. He stated that the number of commuters coming north would be identical with or without development in Coyote Valley. He said that the traffic model takes into account income groups. Therefore, there is a different distribution model for each class of household incomes and jobs.

Mayor Kennedy felt that the 80/20 split would change based on more affordable housing being made available south of Coyote Valley. It was his belief that affordable housing to the south would increase traffic.

Council Member Sellers said that if communities to the south allow housing stocks to increase, it will turn Morgan Hill into one big parking lot. As long as the numbers hold, the 80/20 split would be reasonable. Once communities to the south allow the construction of additional affordable housing, he felt the numbers would change.

Mr. Mena said that Mr. Horwedyl is stuck with CEQA law and that he has to look at existing adopted general plans for other communities. The San Jose City Council will not likely give him the latitude to change the assumptions in the EIR to take speculative considerations into account or over estimate the impacts to the south.

Community Development Director Molloy Previsich noted that this is a plan for a new city. She recommended that San Jose reassess the amount of housing proposed in communities to the south. She felt that there is a regional component that needs to be analyzed as part of good planning.

Mr. Horwedyl said that ABAG and MTC looks at where the jobs and housing growth will occur. The numbers San Jose staff received from ABAG and MTC indicate that Coyote Valley, downtown San Jose and the Evergreen area is where development would occur (San Jose city limits). At the regional level, the same pressures will still exist.

Community Development Director Molloy Previsich said that because San Jose will not be able to accommodate development it will place pressure on other cities to accommodate development.

Mr. Mena said that Mr. Horwedyl is in a tough spot, and that he will have to consider various alternatives to the project that tend to lessen some of the impacts.

Mayor Kennedy said that it is Morgan Hill's hope that the City of San Jose would work with the City and the stakeholders through the planning process. It is the hope that the City of San Jose will continue to work with the stakeholders on real alternatives.

San Jose Council Member Williams said the City of San Jose is open to discuss issues. He felt that pressures would still exist without development in Coyote Valley. Regionally, the area will grow as this is a place where individuals want to relocate. The City of San Jose needs to look at its zoning and land uses. Other cities will look at their land uses and decide whether they want to accommodate growth. The City of San Jose is basing its development projections on land use and needs; preparing for the future. He felt that the City of San Jose is in a dilemma. The City of San Jose is trying to rectify and improve the quality of life for its community. This will result in the need to change job/housing numbers. The City of San Jose wants to work with its legal documents. They also want to work together, noting that San Jose has a direction where it wants to go. The City of San Jose wants to work with the Plan and would like to address concerns, but that they need to look at the EIR. The Plan needs to come close to a place where everyone can exist together.

Mayor Kennedy said that the 80/20 split has been a source of concern to the stakeholders.

San Jose Council Member Williams asked what the City of San Jose can do such that the stakeholders in attendance can reach a comfort level that the numbers are real or close.

Community Development Director Molloy Previsich said that it is staff's concern that the regional assumptions are updated as much as possible. She felt that the model should reflect the most recent assumptions for all counties. There may be another model that would be worth analyzing.

Mr. Horwedyl said that the City of San Jose reviewed several models with the Cisco plan and made sure that they had the most recent data possible. He stated that the notice of preparation is an important process as this is the snapshot that is used to analyze the plan. The City of San Jose will continue to monitor to make sure that the model is the true model, using the VTA model. He said that the City of San Jose would like to conduct focus topic sessions such as transportation focus/analysis.

City Manager Tewes said that the City of Morgan Hill has asked to review information, but has not been provided with information.

Mr. Horwedyl said that the City of San Jose would prefer to give everyone the technical information, but that he needs to work with the attorney to figure out how/when to provide the information at the same time.

Mr. Bischoff suggested that changes have occurred. He noted that it has been stated that ABAG provides regional numbers and that the numbers state that Santa Clara County will be adding more jobs than housing units. If this is the case, individuals who will be working in Coyote Valley will live outside the area. He requested a reassessment of the 80/20 split. He stated that he would like to have the opportunity to dialogue about the assumptions.

Mayor Kennedy suggested that stakeholders be allowed to work with the consultant or San Jose City staff to better understand the assumptions.

Mr. Horwedyl said that school sites will be designated in the Plan and that they are working on the financing piece of this. He indicated that school districts are wards of the state as it relates to property acquisitions. It is their goal to work with the school district.

School Board Member Thomas said that the School District is not in the same position as Gavilan College; indicating that the School District does not want to burden existing residents with the financing of a new school.

Regarding public facilities impacts, Mr. Horwedyl stated that the EIR would be assessing the impacts to the county road network and identifying mitigations. Neighborhood parks will be built as part of the project. The habitat conservation plan will include open space land. The Task force will grapple with a greenbelt active/passive strategy. He stated that the EIR will not address development agreements. He stated that the existing general plan and zoning would remain in place as part of this specific plan.

San Jose Council Member Williams indicated that Santa Clara County Board of Supervisor Don Gage and he have been meeting with property owners. He indicated that Supervisor Gage is willing to listen to recommendations and proposals. He said that it is Supervisor Gage's view that the County has no interest in changing the greenbelt. He stated that this work is going on in order to find out how best to

characterize the greenbelt. He said that there are concerns about access, trails and parks as amenities to a greenbelt. Supervisor Gage would like the property owners to come forward with a plan.

Council Member Tate excused himself from the remainder of the meeting.

Mr. Horwedyl said that air quality will be a difficult impact to mitigate. He indicated that Calpine is located in Coyote Valley and that an air quality model would be prepared. The air quality analysis prepared as part of Cisco development included Monterey County's air regulations. Regarding the Bay checkered butterfly, he stated that he is working on a habitat conservation plan on this issue. He stated that a number of technical meetings have been held. He said that all interested parties would be invited to attend future technical meetings. Regarding the San Martin Airport, he said that CEQA requires that they look at secondary impacts associated with this activity and its use. He noted that the County controls this facility and its operation/expansion. He would look at today's activities and how much more activity there would be. To be looked at are healthcare, religious institutions, schools and their availability. He noted that a hospital is located in the City limits and that Santa Teresa Kaiser will be utilized.

It was noted that the hospital in Morgan Hill is not open.

Council Member Sellers indicated that it is a Council goal to have the hospital reopened with capacity.

Mr. Horwedyl said that he does not believe that there is a plan to build an emergency hospital in Coyote Valley. He agreed to address the demand and distance to access a hospital(s).

Mr. Bischoff summarized the follow up action items as follows: the preferred alternative plan may be modified to address school district concerns; San Jose staff agreed to look at the 80/20 split and the traffic assumption model; San Jose staff may consider the affordability of housing as part of the financial analysis; San Jose staff to run the traffic model in advance of the EIR to determine if the plans need to be modified; Mayor Kennedy asked San Jose staff to work with Morgan Hill regarding mass transit service to south county; and Mayor Gonzales and Council Member Williams will discuss phasing of development with the task force.

Mr. Horwedyl stated that the City of San Jose would continue to work with the School District to try and resolve the issues about school sizes, numbers and trip generations. He indicated that San Jose would like to work with Morgan Hill on how to implement a greenbelt.

Mayor Kennedy indicated that staff will prepare notes and comments; providing this information to the City of San Jose and the Coyote Stakeholders. He thanked the City of San Jose staff, Council Member Williams, and the consultants for coming to Morgan Hill and attending this workshop. He felt that this was a positive step that afforded open dialogue.

FUTURE COUNCIL-INITIATED AGENDA ITEMS

No items were identified.

ADJOURNMENT

There being no further business, Mayor Kennedy adjourned the meeting at 9:35 p.m.

MINUTES RECORDED AND PREPARED BY:

IRMA TORREZ, CITY CLERK